INFORMATION BULLETIN 2005-1

January 5, 2005

Deductibility in 2004 of donations made to assist the tsunami victims

As a general rule, taxpayers who make donations to a registered charity can obtain tax relief on the basis of the eligible amount of donations they made in the year or in any of the five preceding years. This relief is designed chiefly to encourage the financing of registered charities.

For individuals, this relief consists of a non-refundable tax credit equal to 20% of the first $2 000 included in the calculation of this tax credit and 24% of each additional dollar. Where the donation is made by a corporation, it can claim a deduction in the calculation of its taxable income equal to the eligible amount of its donations.

To recognize and support, as quickly as possible, the generosity of Quebecers in assisting the populations affected by the tsunamis in South and Southeast Asia, taxpayers who make a donation from January 1 to 11, 2005 to assist them may deduct the eligible amount of such donation for taxation year 2004.

To qualify for this measure, donations must be allocated exclusively as part of the tsunami relief efforts and must be made to eligible registered charities participating in these efforts.

Accordingly, any organization that has been recognized by the federal government as an eligible registered charity for the purposes of the extension of the deadline allowed for donations made to assist the victims of the tsunamis will be recognized as such for Québec income tax purposes.[1]

For information regarding this information bulletin, contact the Secteur du droit fiscal et de la fiscalité at (418) 691-2236.

The French and English versions of this bulletin are available on the ministère des Finances website at : www.finances.gouv.qc.ca

Paper copies are also available, on request, from the Direction des communications, at (418) 528-9323.

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1 Department of Finance Canada news release 2005-001.

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